

**MINUTES OF THE  
HEALTH AND HUMAN SERVICES INTERIM COMMITTEE**

May 19, 1999 - 9:00 a.m. -- Room 405 State Capitol

**Members Present:**

Sen. Robert F. Montgomery, Senate Chair  
Rep. Carl R. Saunders, House Chair  
Sen. D. Edgar Allen  
Sen. Paula F. Julander  
Sen. Peter C. Knudson  
Sen. Steven L. Poulton  
Rep. Trisha S. Beck  
Rep. Jackie Biskupski  
Rep. Mary Carlson  
Rep. Margaret Dayton  
Rep. Kory M. Holdaway  
Rep. Bryan D. Holladay  
Rep. Rebecca D. Lockhart  
Rep. Karen W. Morgan  
Rep. Jack A. Seitz  
Rep. A. Lamont Tyler

**Members Excused:**

Rep. Richard L. Walsh

**Staff Present:**

Mr. Mark D. Andrews  
Research Analyst  
Ms. Janetha W. Hancock  
Associate General Counsel  
Mr. R. Chet Loftis  
Associate General Counsel  
Ms. L. Kaye Clark  
Secretary

Note: A list of others present and a copy of materials distributed in the meeting are on file in the Office of Legislative Research and General Counsel.

**1. Call to Order and Approval of April 21, 1999 Minutes**

Chair Montgomery called the meeting to order at 9:10 a.m. and welcomed the members of the committee.

**MOTION:** Rep. Holdaway moved to approve the minutes of the April 21, 1999 meeting. The motion passed unanimously. Sens. Allen and Poulton were absent for the vote.

**2. Follow-up From April Interim Meeting**

Report #19: Abortion Informed Consent Information (§76-7-305.5(6) and (7)) - Sen. Montgomery explained that the report was presented at the April interim meeting and the members were given written material and a video to review before committee action was taken. Sen. Julander noted that she did not receive the material.

Ms. Hancock reviewed the process for receiving reports and taking committee action. She explained that the committee has no obligation to take action or make a motion with regard to any report. It may simply move to the next agenda item. Ms. Hancock stated that acceptance

of a report does not indicate confirmation of the report's findings or adoption of recommendations included in the report. She noted that a motion to accept a report does not indicate the committee's agreement or disagreement with the substance of the report.

**MOTION:** Chair Saunders moved to acknowledge receipt of the printed material and the video. The motion passed with Sen. Julander voting in opposition because she has not seen the video. Sens. Allen and Poulton were absent for the vote.

### **3. Reports—Questions by Committee Members**

Report #23: Disability Determinations Services Advisory Council (§53A-15-205(11)) Mr. Gary Nakao, Division of Disability Determination Services, reviewed the report *Disability Determination Services Annual Report*. He explained that the Advisory Council was created by H.B. 120 during the 1994 General Session as an advisory council to the State Board for Applied Technology Education.

**MOTION:** Rep. Carlson moved to accept the Disability Determinations Services Advisory Council annual report. The motion passed unanimously. Sens. Allen and Poulton were absent for the vote.

Report #24: Guardian ad Litem (§78-3a-911(3)(j)) - Ms. Kristin Brewer, Director, Office of the Guardian ad Litem, distributed the handout *Report to Health and Human Services Interim Committee, 1999*, and briefly highlighted items from the annual report.

**MOTION :** Rep. Dayton moved that the Guardian ad Litem annual report be made to the Child Welfare Legislative Oversight Panel rather than the Health and Human Services Interim Committee and that the report be added to the list of reports requiring statutory changes. The motion passed with Rep. Tyler voting in opposition. Sens. Allen and Poulton were absent for the vote.

Chair Montgomery explained that at the April meeting the committee discussed receiving an executive summary of the required reports. At that time, Rep. Walsh made a motion regarding the reports which was not acted upon by the committee.

**MOTION:** Rep. Tyler moved that the committee encourage all agencies or entities that are required to provide an annual report to this committee to comply with that requirement by submitting an executive summary and electronic copy of the report, in accordance with the provisions of Section 68-3-14. The motion passed unanimously. Sens. Allen and Poulton were absent for the vote.

Report #25: Health Data Committee (§26-33a-104(2)(d)) - Dr. Robert Rolfs, Department of Health, highlighted information from the executive summary of *The Utah Health Data Committee 1998 Biennial Report*. He noted that the Utah Health Data Committee recently underwent an audit by the Legislative Auditor whose findings were highly favorable. Dr. Rolfs then responded to questions from the committee.

**MOTION:** Rep. Carlson moved to accept the Health Data Committee report. The motion passed unanimously. Sens. Allen and Poulton were absent for the vote.

#### **4. Insurance Coverage of Mental Health Services**

Mr. Loftis explained that the primary objective of this presentation is to provide information to the committee on (1) the mental health needs of the State's citizens, (2) the public mental health system, (3) public and private coverage of mental illness, (4) gaps in mental health coverage, (5) barriers to private insurance coverage for mental illness, and (6) the measures taken by other public and private entities to provide greater coverage of mental illness. The committee received a packet *Mental Health Coverage: Issues and Questions* containing written responses from the presenters.

##### *Issue 1: Assessment of the Mental Health Needs of the State's Citizens*

Objective: Give the committee a general sense of the mental health needs of the State's citizens.

Dr. Meredith Alden, Director, Division of Mental Health, reported that about 6.2 percent of the population between the ages of 15 and 54 (76,600 Utahns) suffer from a serious mental disorder that interferes with functioning. Ms. Vicki Cottrell, Director, National Alliance for the Mentally Ill—Utah, discussed barriers to treatment and the seriousness of untreated mental illness.

##### *Issue 2: Main Features of the Public Mental Health System*

Objective: Give the committee a general sense of the size, scope, structure, and funding of the public mental health system.

Dr. Alden reviewed materials from the handout regarding the organization, target population, services, philosophy, and funding of the Utah public mental health system. She noted that Utah's per capita expenditures are the lowest of the mountain states.

##### *Issue 3: Health Insurance Coverage of Mental Illness*

Objective: Give the committee a sense of the degree to which mental illness is covered outside the public mental health system.

Ms. Nancy Lyon, Utah Health Insurance Association, discussed some of the challenges employers face in providing mental health insurance benefits to their employees. She indicated that many of Utahns are covered by ERISA plans and that 9-10% (180,000 individuals) of the state's population is uninsured. She said that it is alright if employees want certain benefits, but when the state demands those benefits be provided, employers are opting out of providing insurance to their employees.

Ms. Joan Ogden, Joan Ogden Actuaries, distributed and reviewed information from the handout *Mental Health Coverage: Issues and Questions*.

Mr. Chad Westover, Children's Health Insurance Program, discussed the current mental health benefits and the costs for services provided.

Mr. Linn Baker, Public Employee's Health Program (PEHP), presented information from the handout *Public Employee's Health Program Mental Illness Benefits*. He explained the estimated increase in costs if mental health benefits were paid at the same level as other illnesses.

Ms. Jen Lambert, NAMI—Utah, distributed the handout *Mental Health Costs in Utah* and reviewed statistics related to mental health issues she said were taken from the Governor's 1999 budget recommendations.

Mr. David Leo, representing Western Mutual Insurance, estimated the increased cost of providing full parity at 5-15 percent for indemnity plans (currently the company spends 2-3 percent on mental health benefits). Mr. Leo estimated that this increase would cause the company to lose about 10 percent of its insured groups and look at using a managed care structure. The company, however, would have to overcome statutory impediments in order to use managed care.

*Issue 4: Gaps in Health Insurance Coverage of Mental Health Illness*

Objective: Identify for the committee the main gaps in mental health coverage.

Ms. Cottrell identified the most significant gaps in mental coverage that result in untreated needs or financial hardship, including limited inpatient and outpatient coverage, higher copayments for treatment and medication, restricted medications, and long-term residential care for children. She stressed that providing unlimited outpatient services so that consumers may receive early and consistent treatment would result in the greatest benefit to patients.

Commissioner Merwin Stewart, Department of Insurance, said that the insurance industry should be very proactive about expanding coverage to mental health services. If they can do this, the hope is that the state won't have to mandate anything. The insurance industry is actively looking at expanding benefits, possibly through tightly managed programs, and is planning on outlining a program by the end of July to do this. He noted that insurance companies need to be

able to calculate risk and that's why it makes sense to start with biologically-based illnesses first and to expand benefits from there if possible. In contrast, mandating full parity immediately would be very disruptive to the marketplace.

*Issue 5: Barriers to Health Insurance coverage of Mental Illness*

Objective: Identify for the committee the main reasons why the private health insurance industry does not provide equal coverage of mental illness.

Mr. Larry Bunkall, Utah Manufacturers Association, stated that state health care mandates harm and discriminate against citizens by increasing insurance regulation on the individual and small employer market, inadvertently squeezing people out of health care coverage. He said that a mandate moratorium should be imposed until a study can be done to determine the correlation between mandated benefits and the premium increases experienced by various employee groups. He noted that there is a correlation between mandated benefits and increases in the uninsured population.

*Issue 6: What Others Have Done to Increase Coverage*

Objective: Explore what others have done to provide greater coverage of mental illness.

Mr. John T. Nielson, Intermountain Health Care (IHC), reported that as of January 1999 IHC has implemented mental health parity for its employees for seven biologically-based illnesses. He said the data is not complete, but he will provide results as they are available. He expects that the first quarter information will be available July 1. Initially, IHC estimated that costs would increase by three to four percent of premium. He said that IHC has learned that there need to be incentives in place to reduce costs.

Mr. Darrell Hobson, Deseret Mutual Benefit Association (DMBA), explained that effective January 1, 1999, Deseret Healthcare expanded its mental health benefits to include full parity for mental illness in certain categories. He stressed that DMBA would not have offered parity without all of the management features associated with this plan. Mr. Hobson compared the cost per member per month (pmpm) for the years 1993-1999. It will cost DMBA an additional \$475,000 per year to fund the rise in the pmpm figure due to full mental health parity for their group of 45,000 members.

Rep. Judy Ann Buffmire informed the committee that she will sponsor mental health parity legislation next year and that there is also federal legislative activity on this issue.

Ms. Ruth Ann Hamilton, Salt Lake Area Chamber of Commerce, stated that mandated coverage would be burdensome for small businesses. She said that in 1998 the average premium increase for small businesses was 19%, that 10% of employers dropped insurance entirely, and that 42% of employers increased employee co-pays.

**5. Seatbelts in School Buses**

Mr. Pat O'Hara, Director of Finance, State Office of Education, explained that the State Board of Education's historical position has been to follow the advice of the National Transportation Safety Board that seat belts in school buses have not been demonstrated to be cost effective and that lap belts are considered hazardous, especially for younger children. He informed the committee that there is a federal study in progress to determine the advisability of installing seat belts in school buses and recommended waiting for the results of that study before filing any legislation. Mr. O'Hara explained the advantages of current safety requirements that include *compartmentalization*—padded, high seat backs, stronger seat frames, and crash barriers—and escape routes for emergency evacuation.

Ms. Kristy Rigby, Highway Safety Office, Department of Public Safety, presented information from a handout *Intermountain Injury Control Research Center*, that compared safety statistics for occupants on school buses with unbelted occupants in passenger cars and trucks. She concluded that unbelted occupants in school buses are significantly safer than those in passenger vehicles.

Ms. Linda Plouzek, Safety and Welfare Commissioner, Utah PTA, said that the national Parent Teachers Association has endorsed seat belts in school buses but that the Utah PTA does not support that position. She expressed various concerns associated with requiring seat belts.

Rep. Neal Hendrickson, a school bus driver, discussed his concerns about the increased responsibility bus drivers face to ensure compliance with a seat belt mandate. He said there are also potential safety problems with the misuse of the seat belts.

Mr. Brent Huffman, Pupil Transportation Specialist, State Office of Education, provided a packet of information from various organizations and studies on the issue of seat belts on school buses. He also discussed the training requirements for bus drivers.

## **6. Other Business**

Rep. Holdaway requested that mental health parity be placed on an agenda at a future meeting to receive updated information from IHC and the Insurance Commission.

Chair Montgomery requested that committee members who wish to discuss potential legislation in future meetings notify the chairs.

## **7. Adjourn**

**MOTION:** Sen. Knudson moved to adjourn the meeting at 11:55 a.m. The motion passed unanimously.